



Stakeholder Communication Update

The Department of Health Care Services (DHCS) is pleased to provide this bimonthly update of important events and actions at the department. Sign up to receive this update on the DHCS [website](#). Please view the [Calendar of Events](#) for specific meetings and events, or review the [Stakeholder Engagement Directory](#) by program. You may also view our [State Plan Amendments](#). For questions, concerns, or suggestions, you may contact us by email at DHCSPress@dhcs.ca.gov. Thank you.

DHCS Director Toby Douglas

DHCS Director Toby Douglas recently announced he would step down after four years as Director. Here is his statement:

“For the past nine years at DHCS, with the past four as Director, I’ve enjoyed the unique relationship between our department and you, our stakeholders. It is a rewarding and fruitful relationship, one that challenges us to gain new understandings and to sometimes change as we work together in pursuit of better ways to meet the health care needs of Californians. I recognize and appreciate this relationship as an absolutely essential element of our collective success. So, it is with mixed emotions that I announce to you today that I will leave DHCS in January and begin a new phase in my life and career. I enjoy my current role immensely, and I’m grateful to the Governor, Secretary Diana Dooley, and to all of the dedicated DHCS employees who do the real work of making quality health care accessible. But, I also recognize the time is right for me to move on and hand the reins to a new Director and our talented DHCS leadership team. I plan to focus on finding a new leadership role in health care that allows me to continue contributing to and improving health care quality and outcomes. As I depart, I do so knowing that DHCS is in a strong position to continue succeeding, largely because of the knowledge we gain from you – our committed stakeholders. I have a deep respect for all of you as you tirelessly work to help make us better, pushing us to do more on behalf of those in need. A highlight of this would be the collaboration between you and DHCS during the implementation of federal health care reform. Your input was invaluable to the effort, and it helped California stand out as a leader in this nationwide effort. Secretary Dooley will soon begin her process to find candidates for the next DHCS Director. She’ll seek leaders with extensive experience in health care policy and with the proven leadership skills to guide a department with such great responsibility. That person will be very fortunate to work with such a dedicated group of stakeholders. I’m certain that when I begin the next step of my career, our paths will cross again. I’m also very sure that, once again, I’ll look to many of you for guidance and support in our mutual endeavors. Thank you for caring about health care in California, and for making sure that we uphold our obligations to those who depend upon Medi-Cal and all of our DHCS programs.”

DHCS Stakeholder Engagement Initiative

DHCS is very pleased to announce its new quality improvement [Stakeholder Engagement Initiative](#). We are committed to having open, effective communication with you, and this effort will help us evaluate and improve how we do it. We've launched this effort with a [Stakeholder Engagement Initiative Survey](#) to get your input on the existing process and ways it can be enhanced. Thank you to everyone who responded. We will share survey results in the coming weeks and continue our review of existing groups and processes. We firmly believe your input and participation are essential to help us achieve our mission, vision, and core values and to ensure that policy and operational decisions are developed with the best available information. Together we can improve Medi-Cal and fulfill the vision of the Triple Aim of improving the patient experience of care through increased quality and satisfaction, improving the health of populations, and reducing the cost of health care. The [DHCS Stakeholder Engagement Initiative](#) document summarizes our efforts and gives a general overview of the process. We look forward to your participation.

Behavioral Health Forum

The next meeting for the DHCS Mental Health and Substance Use Disorder Services' Behavioral Health Forum will occur on October 2, 2014. The Behavioral Health Forum provides key stakeholders and other interested parties with updates regarding critical policy and program issues impacting public mental health and substance use disorder services, and is organized into five smaller forums, each of which focuses on a specific set of priority issues: Cost Effective and Simplified Fiscal Models (Fiscal) Forum; Strengthen Specialty Mental Health and DMC County Programs and Delivery Systems (Strengthening) Forum; Coordinated and Integrated Systems of Care for Mental Health and Substance Use Disorder Services and Medical Care (Integration) Forum; Coordinated and Useful Data Collection, Utilization, and Evaluation of Outcomes (Data) Forum; and the Client and Family Member (Open to All Stakeholders) Forum. The October meeting will explore a variety of high priority issues, including Katie A and the DMC waiver; Screening, Brief Intervention, Referral, and Treatment (SBIRT) and Dispute Resolution; and analysis of the substance use disorder program and the Performance Outcomes Systems. We will have dedicated time to hear directly from clients, family members, community members, and other interested stakeholders. Meeting information and materials may be downloaded from the DHCS [website](#). If you or anyone you know is interested in participating in one of the forum committees, and/or the consumer and family member group, please contact us at MHSUDStakeholderInput@dhcs.ca.gov.

Advisory Panel for Medi-Cal Families

DHCS will convene the next Advisory Panel for Medi-Cal Families meeting on October 22 in Sacramento. The former Healthy Families Program (HFP) advisory panel transferred from MRMIB to DHCS on January 1, and is now referred to as the Advisory Panel for Medi-Cal Families. The panel consists of 15 members who are recognized stakeholders/experts in their fields as well as parent members who provide feedback on

topics that impact Medi-Cal children and families. To view meeting materials, as well as materials from prior meetings, please visit the DHCS [website](#).

Community-Based Adult Services (CBAS)

DHCS has submitted an amendment to the section 1115 waiver to extend the CBAS benefit through October 31, 2015, the end of the waiver demonstration. The sunset date of the current CBAS program is August 31, 2014. While DHCS and the Centers for Medicare & Medicaid Services (CMS) continue to discuss the terms and conditions of the CBAS program renewal, the state received approval to extend the current program through October 31, 2014. The enhanced case management benefit will not be extended as part of the amendment. Also, on December 1, CBAS will become a managed care benefit in Butte, Humboldt, Imperial, and Shasta counties. These are counties that have existing CBAS participants and providers, and managed care plans were launched in 2013 and earlier this year. DHCS and the California Department of Aging have been conducting meetings with the health plans and CBAS providers to facilitate the transition.

Seniors and Persons with Disabilities Transition to Managed Care

On December 1, DHCS will mandatorily enroll about 24,264 seniors and persons with disabilities (SPDs) into managed care health plans in 19 rural counties (Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Imperial, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, and Yuba). This proposal was a component of the state's amendment request to the Section 1115 waiver to expand mandatory managed care in 28 rural counties. Affected members will receive three notices at 30, 60, and 90 days prior to transition and two outreach calls to assist them with their plan choice. Please email questions, comments, or concerns to MMCD.TPGMC@dhcs.ca.gov.

Stakeholder Advisory Committee (SAC)

The final committee meeting for 2014 will be held on December 3. DHCS convened its most recent SAC meeting on September 11 at the Sacramento Convention Center. The purpose of the SAC is to provide DHCS with feedback on 1115 Bridge to Reform waiver implementation efforts as well as other relevant health care policy issues impacting DHCS. SAC members are recognized stakeholders/experts in their fields, including, but not limited to, member advocacy organizations and representatives of various Medi-Cal provider groups. To view meeting materials, as well as materials from prior meetings, please visit the DHCS [website](#).

Behavioral Health Treatment (BHT)

DHCS officially began providing BHT services as a covered Medi-Cal benefit on September 15. DHCS received the official guidance from the federal government on July 7 that clarifies Medi-Cal will provide these services to individuals 0 to 21 years of age with Autism Spectrum Disorder under the EPSDT benefit. DHCS is obtaining all the necessary federal approvals for federal funding and will seek statutory authority and an appropriation for the necessary state funding. Importantly, we will also continue consulting with stakeholders. The first of our monthly stakeholder meetings was held on

September 4. On August 29, DHCS issued a draft All Plan Letter to Medi-Cal managed care plans for their review and comment. It includes interim policy guidance and the effective date of September 15 – retroactive to July 7 – for medically necessary BHT services for eligible children and adolescents. DHCS staff will meet with health plans and stakeholders over the next few weeks to answer questions and discuss, finalize, and implement the interim policy guidance. Monthly stakeholder meetings will be scheduled and posted on the DHCS website, and you may send comments to ABAinfo@dhcs.ca.gov. Finally, DHCS is required to make any State Plan Amendment (SPA) public at least 30 days prior to submitting to CMS, and work with stakeholders to address the public comments in the SPA. We have posted on the DHCS website a [link](#) to the first draft of SPA 14-026 and our All Plan Letter.

California Children's Services (CCS) Program

DHCS is in the planning stages of an effort to improve access to health care for children and youth with special health care needs (CYSHCN) through changes to CCS. Currently, DHCS is working to develop and launch a stakeholder process that will help ensure that valuable stakeholder input is included throughout the process. There will be a series of meetings beginning in November 2014 to select stakeholder members from the CCS community, and to identify workgroups to address key issues, such as financing, county interaction, health care delivery options, and quality of care. The stakeholder process will generate recommendations for the DHCS Director about health care delivery system options that will be used to develop an organized system of care for children who are eligible for CCS, which will have a positive influence on health care delivery for all of California's CYSHCN population. The specific goals of this initiative are to improve care and health outcomes for CYSHCN by ensuring that they receive coordinated care, and to measure quality so that care for these children and their families can be evaluated and continuously improved. Along with identifying individual stakeholder participants from the CCS community, DHCS is also developing an implementation plan and communications strategy for this effort. Please visit this [link](#) to view a CCS Redesign Webinar that was hosted by UCLA on September 26.

International Classification of Diseases (ICD)

The U.S. Department of Health and Human Services (HHS) in July issued a rule finalizing October 1, 2015, as the new compliance date for health care providers, health plans, and health care clearinghouses to transition to ICD-10. The transition to ICD-10 is required for everyone covered by the Health Insurance Portability and Accountability Act (HIPAA). This deadline allows the health care industry time to get their systems and business processes ready to go on October 1. ICD-10 will improve the ability to govern reimbursement, monitor a population's health, track trends in disease and treatment, and optimize health care delivery. Medi-Cal's efforts include fee-for-service (FFS) claims, managed care encounters, and mental health/substance use disorder services (MHSUDS) claims paid through the Short Doyle system. For more information about ICD-10, please view the CMS [website](#). FFS claim questions may be submitted to ICD-10Medi-Cal@xerox.com; managed care questions may be sent to ICD-10ManagedCare@dhcs.ca.gov; and MHSUDS questions may be directed to ICD-10Non-FI@dhcs.ca.gov.

Quality Improvement Project (QIP)

DHCS and the Department of Social Services (DSS) jointly presented an overview and status report on the QIP, [“Improving Psychotropic Medication Use for Children and Youth in Foster Care.”](#) to the Child Welfare Council at its meeting on September 10 in San Francisco. Some of the issues addressed by the QIP are the appropriateness of quantity, dosage, and prescribing habits as well as the approval process used by the courts. The workgroups and expert panel of advisors for this QIP are comprised of doctors, nurses, social workers, current and former foster youth, and state and county representatives who have been working for the past two years to identify meaningful ways to improve the use of these types of medications within the foster care system. The presentation included data, workgroup progress, and recommendations, as well as a timeframe for project deliverables.

New Restriction on Antipsychotics for Beneficiaries Under Age 18

As part of the research from the Quality Improvement Project (QIP), “Improving Psychotropic Medication Use for Children and Youth in Foster Care,” DHCS and DSS have identified that a significant number of foster care youth are receiving one or more antipsychotic medications (See QIP update above). In order to more effectively provide monitoring and oversight of the use of these medications in the juvenile population, DHCS is [expanding](#) current restrictions on these medications to require a Treatment Authorization Request for antipsychotic medications for use in beneficiaries 0 through 17 years of age, effective for dates of service on or after October 1, 2014. The restriction currently exists for children ages 0-5. Provider manual updates reflecting this change will be released in the upcoming October Medi-Cal Bulletin Update.

Medi-Cal/Affordable Care Act (ACA) Enrollment

The response to the ACA and its expansion of Medi-Cal has been tremendous. An estimated 2.2 million individuals have been added to Medi-Cal through the end of July. Through our ongoing work with the counties, the number of pending individuals seeking Medi-Cal coverage is decreasing and is currently at 250,000, reduced by 350,000 since early July. DHCS is working with county partners and Covered California to process the remaining applications and deliver health coverage to all who are eligible. Total Medi-Cal enrollment is expected to increase from 8.5 million before implementation of the ACA to 11.5 million in 2014-15, covering about 30 percent of the state’s population. Medi-Cal enrollment is year-round, and DHCS continues to work with health plans to ensure adequate access is available for all Medi-Cal members.

Section 1115 Demonstration Waiver

DHCS hosted a webinar to introduce potential concepts for the renewal of the state’s Section 1115 waiver. The existing Bridge to Reform 1115 waiver expires on October 31, 2015, and DHCS is targeting early 2015 to submit the waiver renewal application to CMS. A central concept envisioned for the waiver would seek a shared savings arrangement with the federal government for savings generated from delivery system and payment reform efforts and a demonstration of the state’s ability to contain costs relative to an environment absent an 1115 waiver. The savings would then be

reinvested into the Medi-Cal delivery system to test innovative payment and delivery reform concepts. Such system transformation concepts could include a successor Delivery System Reform Incentive Pool (DSRIP) program for public hospital systems as well as non-designated public hospitals; payment and delivery system reform to the safety net to care for the remaining uninsured; further improvement of the California Children's Services program; Medicaid-funded housing; workforce development initiatives to support the expansion of access; and programs for providers and health plans that offers incentives for whole-person care that is better coordinated across delivery systems. DHCS outlined a stakeholder process to solicit input to further develop these ideas at the September 11 SAC meeting. We posted the July 25 webinar and will continue to post the latest news on the waiver renewal [webpage](#). We encourage stakeholders to continue submitting questions, comments, and additional ideas for consideration to WaiverRenewal@dhcs.ca.gov.

DMC Organized Delivery System Waiver Update

DHCS is seeking an 1115 Demonstration Waiver for the Substance Use Disorder (SUD) DMC Program. The overall purpose of the waiver is to create a model that will provide an organized delivery system of SUD services. This waiver will be an amendment to California's existing section 1115 Bridge to Reform waiver. In mid-July, DHCS publicly released draft Standard Terms and Conditions (STCs). A meeting was also held on July 30 to receive input from stakeholders. The draft STCs have not been reviewed or approved by CMS. Additionally, there are portions of the STCs that require federal approval from the Substance Abuse and Mental Health Services Administration (SAMHSA). Meeting agendas, handouts, and the draft STC's are available on the DHCS [website](#). The financial provisions of the waiver are still under development. The next waiver meeting will focus on the financing and will be presented as a webinar. The date for this meeting is still to be determined. All stakeholders are encouraged to submit comments to MHSUDStakeholderInput@dhcs.ca.gov.

DMC Services Available to More Members

DHCS received approval from CMS of a SPA that authorizes additional Medi-Cal members to receive services under the DMC treatment program. The most significant change is that Intensive Outpatient Treatment (IOT), previously called Day Care Rehabilitative Treatment, is being made available to all members who meet the medical necessity requirement, instead of only those who are pregnant, postpartum, or eligible for EPSDT. Prior to CMS approval, DHCS advised counties and DMC service providers that they could start providing the IOT service to Medi-Cal members other than pregnant, postpartum, and EPSDT-eligible effective January 1, 2014, but at their own risk of eventual payment. Counties and service providers were permitted to submit the related DMC claims for review. The Short Doyle Medi-Cal claim processing system was programmed to accept and review such DMC claims, and DHCS will now proceed to pay the approved claims.

Substance Use Disorder Counselor Certification Organizations

Individuals who provide counseling services in DHCS-licensed or certified facilities must be registered or certified with a DHCS-approved certifying organization or be a licensed

professional. As of August 29, 2014, the Breining Institute is no longer an approved certifying organization due to their accreditation with the Commission for Certifying Agencies (NCCA)/Institute for Credentialing Excellence being terminated on August 28. DHCS has notified the Breining Institute that they are no longer approved to register and/or certify alcohol and other drug (AOD) counselors. Regulations specify that an AOD counselor registered or certified with a certifying organization that is no longer approved by DHCS must register with one of the other certifying organizations within six months of receiving written notification of their termination or prior to the expiration of their certification (whichever is sooner). Failure of the counselor to re-register with a DHCS-approved certifying organization within this timeframe will result in the holder of a registration/certification without a valid registration/certification. For more information, please review [Information Notice 14-028](#) posted on the DHCS website.

Cal MediConnect Update

Progress continues for Cal MediConnect, which began enrolling members on April 1. As of September 1, there have been 44,804 Cal MediConnect enrollees, including 2,673 in San Mateo, 5,900 in Riverside, 5,534 in San Bernardino, 8,779 in San Diego, and 21,918 in Los Angeles. Enrollment data is available on the Cal MediConnect [dashboard](#). DHCS recently released [revised Cal MediConnect notices and choice form](#). Utilizing input received from stakeholders, DHCS revised the notices that were then tested by members in partnership with CMS. The resulting new materials were mailed in July and August. DHCS continues extensive member outreach to educate dual eligibles about the new program, including via new monthly tele-town halls. These town halls are targeted to members who have begun receiving notices and allows them to ask questions. DHCS also recently released three Duals Plan Letters (DPL). One DPL clarifies contractual and legal requirements around the nursing facility benefit, a second DPL was issued on crossover claiming responsibility for mental health services provided to Cal MediConnect members, and a third DPL was reissued on continuity of care benefits. Our priorities continue to be educating members about their health care choices and ensuring Cal MediConnect is delivering on the promise of integrating care to help improve quality of life for California's dual eligibles.

Major Risk Medical Insurance Fund (MRMIF) – Section 93 Workgroup

DHCS, in collaboration with legislative staff, consumer advocates, health plans, and counties, is developing a plan to utilize the MRMIF and other specified funds, including monies in the Managed Care Administrative Fines and Penalties Fund and other available funds in the Cigarette and Tobacco Products Surtax Fund. These funds will be used to provide subsidized health care coverage for individuals ineligible for receiving comprehensive health care services. The kick-off meeting was held on September 30 in Sacramento. For more information, please visit the DHCS [website](#).

2014 Medi-Cal Managed Care Quality Conference

The goal of this year's quality conference, *"Health Across the Lifespan – Medi-Cal Managed Care Strategies for Quality Improvement"* was to identify specific, actionable strategies to improve the quality and coordination of care delivered to Medi-Cal managed care members and to achieve lower costs. This year's keynote address was

delivered by Anna Roth, RN, MS, MPH, Chief Executive Officer, Contra Costa Regional Medical Center and Health Centers. The September 11 conference sessions emphasized the Plan-Do-Study-Act (PDSA) cycle and rapid-cycle improvement, with examples of how they can be utilized in a variety of areas, such as postpartum care, comprehensive diabetes care, and medication management. In addition to presentations by DHCS and its external quality review organization, Health Services Advisory Group, Inc., several of the Medi-Cal managed care plans shared their experiences and best practices using PDSA methods. There were also breakout sessions on strategies for effective integration of mental health and substance use disorder care, strategies on meeting the needs of seniors and persons with disabilities, and planning for long-term care and supportive services.

Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Performance Outcomes System

Since the release of the System Plan in November 2013 and the System Implementation Plan in January 2014, DHCS has made progress with regard to data review, quality improvement (QI), and the identification of performance outcomes measures. Since September 2013, DHCS has been reviewing the status of county data submission to the Client and Services Information (CSI) System. As of September 1, 2014, 83% of counties had submitted CSI data within the 60-day submission window. In order to prepare for the initial outcomes reports, which are scheduled to be released in December 2014, DHCS will soon provide quality improvement reports to counties. DHCS is also creating a QI committee structure aimed at improving mental health services for children and youth in California. Overall, the EPSDT Performance Outcomes System Stakeholder Advisory Committee continues to be the overarching committee that provides feedback on work products from the Performance Outcomes System sub-workgroups. During the December 2013 and April 2014 meetings, DHCS staff provided updates to advisory committee members on implementation plans for the Performance Outcomes System and introduced implementation plans for the continuum of care of Medi-Cal specialty mental health services for children and youth to link managed care plans and mental health plans. Updates to the System Plan and the System Implementation Plan reflecting the inclusion of the continuum of care are due to the Legislature on October 1, 2014, and January 10, 2015, respectively.

Family Planning, Access, Care, and Treatment (FPACT) Report

DHCS released the FPACT preliminary program [report](#) for fiscal year 2012-2013 that was prepared by the University of California, San Francisco (UCSF). FPACT is administered by DHCS, and UCSF is contracted to conduct ongoing evaluation of the FPACT program. In fiscal year 2012-13, FPACT continued to remain vital in providing publicly funded family planning services, and its network of providers, many of whom offer comprehensive care, have been instrumental in the implementation of the ACA. Findings from this report were shared at the September 8 DHCS/Family Planning Stakeholder Meeting.

Hepatitis C Update

DHCS released its Hepatitis C utilization and treatment [policy](#) on July 1, 2014. DHCS is aware that newer Hepatitis C medications are expected to be Food and Drug Administration-approved later this year. Due to these new medications, updates will likely be made to national treatment guidelines. DHCS will update its Hepatitis C policy accordingly in conjunction with stakeholder input.

Hospital Dentistry Subcommittees

In an effort to determine possible solutions regarding the provision of general anesthesia services and the closure of Sutter Health in Sacramento County to all dental services, DHCS has been participating in three subcommittees that were created and facilitated by Senator Darrell Steinberg's office. These subcommittees were developed to address administrative barriers, triaging protocols, and increasing the provider pool. Subcommittee participants include, but are not limited to, DHCS, representatives from Senator Steinberg's office and Assemblyman Richard Pan's office, and representatives from the Association of Regional Center Agencies, California Dental Association, University of Pacific School of Dentistry, dental and medical providers, managed care plans, regional center providers, local and statewide hospital representatives, and alternative care locations. DHCS will continue to engage subcommittee participants to collaboratively address any administrative barriers, ascertain appropriate triaging protocols, and proactively ensure that all members statewide who are in need of hospital dentistry services will have timely access to care.

Dental Member Outreach

The Medi-Cal dental program recognizes the importance of member outreach and education. California's fiscal year 2014-15 budget includes funding for an outreach initiative that seeks to increase dental utilization among members who are 0 to 3 years of age. DHCS is working with stakeholders to develop informational materials that help educate parents of young children about the importance of early dental care and provide resources that can assist them in accessing dental care.